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SUBJECT: Analysis of U.S. Objectives in Libya in Relation to Mutual Security Programs

The United States programs which are now being carried on in Libya are designed essentially to accomplish the following objectives:

1. To keep Libya independent and on the side of the Free World.

2. To strengthen Libya's political, economic and military postures to the point where it can resist internal subversion and external pressures designed to turn it away from the West.

3. To create an atmosphere in which the United States Air Force and other U.S. military activities can operate without hindrance, save for those restrictions and conditions contained in bilateral U.S./Libyan agreements.

4. As a corollary to "3" above, to deny to the Soviet Union and other unfriendly powers political and military advantages in Libya.

For the fiscal year 1960 there would not seem to be any reason to change those objectives. In the event, however, that the world situation remains approximately as it is today - with equal but not additional tensions - we should consider the effects on Libya of possible internal and external developments affecting Libya directly.

1. In Event of Death or Disability of King Idris

The divisive forces, already strong in Libya, would be highly intensified if the King dies within the next two years. There is no one else, even on the horizon, who could command the respect and authority throughout the Kingdom presently enjoyed by Idris I. There is a possibility that the Kingdom would fall apart with the two chief provinces, Tripolitania and Cyrenaica, establishing separate and sovereign governments. There is additionally the danger that the Egyptian desire to establish power over Libyan territory plus the popular attraction of President Nasser to a leaderless Arab country would result, either through a popular referendum or under the threat of civil war, in option for inclusion in

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the United Arab Republic. On the other hand, the ambitions of a sizeable number of presently influential Libyans might well mean the formation of a new political entity which would abolish the royal succession and seize absolute power. Inherent in all of these possibilities is the threat of an open struggle between opposing political elements which would lead the country into civil war and produce a situation similar to that of Lebanon in June 1958.

There are, simultaneously, a number of Libyans of political importance who are genuinely interested in seeing the country survive as a sovereign and unified nation and who, with sufficient physical strength behind them, would do everything in their power to strive for an orderly and constitutional succession. These people, however, would have troublesome and dangerous opposition, strongly supported by the present Egyptian regime and, less directly, by the USSR.

2. Development of Public Opinion

Assuming there is no radical change within Libya's political structure during the next two years, the most disturbing trend will continue to be the development of a highly nationalistic pan-Arab, pro-Nasser public opinion, growing steadily more volatile and articulate, with a basically pro-Western government apparently impotent to reverse the trend.

This, of course, is not a situation unique to Libya. That fact, however, does not mitigate the danger which it poses to the western position in Libya. If we are to enjoy the position and rights which we now possess in this country, we cannot escape the necessity of helping the Libyan Government solve this problem. Assuming that the U.S. is not going to support Arab demands concerning Algeria and Palestine - demands which have the greatest emotional appeal among Arabs - we can only conclude that the answer is to attempt to prove that, despite these burning issues, it is in Libya's national interests to maintain close ties with the U.S. and U.K. In Libya, as elsewhere, unilateral efforts on the part of the United States will not be effective. We are under suspicion and constant criticism from certain elements in the Parliament and the press for our policies and programs here. The answer lies partially in correcting the greatest fault of the Ku'bar Government: that is, its unwillingness to go before its people to explain what it is doing and why. This unwillingness has been due largely to the prevalent attitude among high ranking government officials that there is no effective public opinion in Libya and thus no need either to cater to it or to lead it. This attitude is slowly changing. It is being replaced by a fear of public opinion, a realization that existing opinion on political matters does not coincide at all times with governmental policy and awareness of the influence of the constantly threatening shadow of Nasser from the East. As neither the United States and so far the Libyan Government wish to reconcile their policies with those of the extremists who are representative of Libyan opinion, it is difficult to predict any sort of success in efforts to turn the tide in the opposite direction. There are, at the same time, certain steps outside the field of basic policy which can be taken and which are outlined below under "Psychological Programs".

3. External Pressures

For the foreseeable future it is obvious that Libya will be a target of Egyptian propaganda and subversive activities, even if there are no dramatic or radical changes within Libya itself. Libya so far has escaped the typical propaganda tirades and, with few exceptions, the blatant subversion directed from Cairo against certain other Arab states. The Government, however, lives in constant fear that by offending the UAR through not being sufficiently "Arab" in its policies, it will be subjected to measures designed to incite the population to revolt. It has, therefore, assumed the protective device of shining a friendly face in all directions simultaneously in the fond hope that it can avoid such an eventuality. Nevertheless, Egyptian operations within the country are working to achieve the Egyptians' end. These measures are actively but covertly supported by the Soviet Embassy in Tripoli and Benghazi. A good measure of this support is undoubtedly financial. It pays for such things as bribes, the publication and/or distribution of clandestine inflammatory materials, etc. Its first object is to discredit thoroughly the U.S. and the West in general so as to deny to us specifically the military and commercial (oil) concessions we now possess. We can expect this campaign to be continued and intensified over the next few years, and with increasing success unless the GOL takes drastic preventative steps and counter measures.

Simultaneously with this pressure from the East, there will probably be continuing invitations from President Bourghiba toward Libya in order to develop closer political, economic and cultural ties with its North African neighbors. This to a large extent assumes a normalization of Tunisia's relations with the French in Algeria and Tunisia's internal problems with France. Bourghiba, however, lacks the appeal which Nasser has with the Libyan public and, given the present unsettled state of North Africa, if the Libyan Government felt that closer relations with the Maghreb would bring the wrath of Cairo on its head, it is doubtful that in present circumstances it would make any dramatic move in this direction.

4. Economic Viability

There is no possibility that Libya will be able to stand on its feet economically over the next few years. Even if oil were found in large quantities under Libyan sands, it would be a number of years before its production would give the country any appreciable added revenue. It is obvious, therefore, unless we are willing to permit the burden of keeping Libya viable pass to the Soviet Union, that the United States and United Kingdom must continue, and probably increase, their economic aid and financial subsidies.

5. Additional Political Factors

With the inherent weaknesses and potential instability of this newly established and federated Kingdom, there is always a chance, however remote, of such

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things as attempted political coups, political assassinations, tribal warfare, etc. These dangers can only be made more remote by bringing to Libya as rapidly as possible a sense of self-confidence within the Government at the Federal level and understanding among the people of their Government's policies and actions.

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It is not difficult to see that if we are to gain our objectives in Libya we must continue a highly diverse, flexible and relatively expensive overall program.

1. Security Programs

As a result of the agreement reached earlier in the year between the Government of Libya and the Government of the United Kingdom, a large measure of future responsibility for the Libyan Army has been taken off our shoulders. Nevertheless, we have the following tasks if we are to achieve the aim of creating a Libyan Army capable in itself of maintaining internal security. We must frankly and objectively reach agreement with both the British and the Libyans on the mission and form of the Army and then proceed to build it in such a shape so as to enable it to perform its mission successfully. We have already agreed with the British to provide "heavy equipment" for the Libyan Army. We should keep a small Military Assistance Advisory Group in Libya to assure proper use and maintenance of this equipment and to provide technical advice to the British Military Mission responsible for training the Army.

While the British have agreed to discuss the formation of the nucleus of a Libyan navy with the GOL, the United States should continue to resist similar discussions concerning a Libyan Air Force.

The chief organizational problem surrounding Libya's internal security is the presence of two large and completely independent police forces, the Tripolitanian of about 4000 active members and the para-military Cyrenaican Defense Force of about 3000 active members. Our tacit objective must be to strengthen the Federal Army at the expense ultimately of the provincial forces. Unhappily, we would create an explosive situation, in which the United States would be sure to suffer, if we at the present time attempted to force such an objective. And, in fact, until the Federal Army is capable of fulfilling its role, the provincial forces add an important element of stability.

The United States is undertaking a modest program in material and training to help the provincial forces. The current program should not be continued beyond the period when the Federal Army is capable of taking over the major defensive and security tasks of the nation. The United States should also undertake, perhaps covertly, the training of a sizeable cadre of police officers in anti-subversion programs. This could best be done by using and expanding the present small Federal Police Force.

2. Psychological Programs

In view of the divergent policies the United States and Libyan Governments practice toward Algeria and Palestine, USIS faces a difficult task in its efforts to carry out its mission of influencing Libyan public opinion to support actively our objectives here. We are simultaneously faced with a pragmatic government, increasingly afraid of and increasingly unwilling to run openly opposed to public opinion, a government which, while basically oriented toward the West, is not willing publicly to associate itself with even the broad aims contained in Article I of the Base Agreement of September 1954.

On the other hand, we have recently had some encouraging signs from various government officials who have expressed concern at the fact that public opinion is rapidly drifting away from them and their policies and who have asked the United States for assistance in helping the GOL get its message across to the people. We can usefully support a Government information program which has the following content: Expression of Libya's neutrality within and friendship for all its sister Arab states; takes most of the credit for development programs financed and carried out by the United States; and defense against attacks made on it in Parliament and the press not government-controlled in such cases as permitting Wheelus Field to carry out guided missile shoots.

We should, therefore, be willing either through Technical Assistance or covertly to finance such operations as will enable the Libyan Government to reach its constituents. We can give overt help in the form of providing answers to criticisms and technical advice of various kinds. We should encourage Libyan Government officials not only to use the press and radio but we should actively encourage them to travel, to be seen, to make speeches and, in short, to behave in the same manner as Bourghiba or other reputable Arab politicians seeking re-election.

The operations of USIS should be continued in accordance with the moderately expanded program recommended in the new Country Plan. (Refer USIS Despatch 58, June 23, 1958.)

There should be efforts made to combat criticisms directed against the activities of U.S. agencies in Libya. Specifically, these include the operations of Wheelus Field and USOM programs.

Concerning the latter, we should seek what help we can get from the Government of Libya and the Provincial authorities. We should continue to remind them of the GOL's commitments under the economic development agreements and technical assistance agreement to give publicity to American aid programs in Libya. As a standard procedure, wherever possible, every project financed by U.S. funds should be so identified physically. We should give consideration to the development of USOM-financed impact projects. The manner of administering American economic aid will be greatly affected by the decision of the Libyan Government with respect to a new national economic development board. Should present plans for such an overall development agency materialize, the present Libyan development agency, formerly financed by British economic aid (LPD&SA) and the present development agency financed entirely by U.S. economic assistance (LARC) will undoubtedly be absorbed in the new national agency.

Concerning United States Air Force operations here, they entail unavoidable circumstances which are irritating, such as the noise of jet aircraft, the

presence of what is in effect a small American city on Libyan soil, and occasional accidents endangering the lives and property of Libyan citizens. While there is already a well-conceived public and community relations program at Wheelus Air Base, it should be considerably expanded in line with the recommendations on this subject contained in Mr. Nash's report of November 1957 on U.S. Overseas Military Bases.

Briefly, our psychological objectives in Libya should be the following:

1. To persuade the Libyan Government, and more importantly at this time the Libyan people, that American aims and programs in Libya are in Libya's interest.

2. To gain acceptance of such programs with minimum criticism.

3. Through such efforts to reconcile the growing and potentially dangerous differences in attitudes between the Libyan people and the Libyan Government.

3. Political Programs

Our overall political objectives in Libya have been outlined above. In addition however, we should attempt the following:

1. We should encourage Libya to take a more independent stand within the UN and its Specialized Agencies. Specifically, this means that Libya should be encouraged, if her basic interests so warrant, not to vote or to abstain from voting on the basis of what the majority of Arab League members do.

2. Libya should continue to be encouraged to join in efforts to form a constructive North African Federation.

3. If a move is made toward a Western Mediterranean Defense arrangement, Libya should also be encouraged to join such a group.

4. Libya should be persuaded to keep her relations with the Soviet Union and satellites to an absolute minimum, including the rejection of any offers of assistance.

5. Continuing efforts should be made to persuade the Government of Libya of the soundness of American policies in the Middle East, particularly toward Algeria and Palestine.

4. Economic Problems

The objectives of our economic and financial programs are:

1. To assure Libya of a reasonable rate of economic development, contribute to economic stability, improve technical competence, and encourage

measures to lessen Libya's dependence on foreign subsidies.

2. In the event that the British subsidy is not sufficient over the next five years to cover the reasonable operating cost of the Government, to fill the ensuing gap.

3. Through "1" and "2", to permit the use of a highly strategic area for the USAF and other U.S. defense operations.

4. To deny to the Soviet Union economic and financial penetration into Libya.

It is virtually impossible to predict the economic and political circumstances which will govern the amounts of American aid given to Libya year by year. However, as the standard for fiscal years 1957 and 1958 has been above 20 million dollars per annum, there would appear to be no chance of going below this figure, including the availability of at least five and one-half million dollars for budgetary support, without seriously endangering our political and security objectives in Libya. If we are to achieve the objectives listed above, the brutal fact is that the United States will undoubtedly have to provide moderate increases each year for the foreseeable future.

The necessity for reviewing the manner in which American aid is administered and the question of impact projects have been mentioned under Section 2 (Psychological Programs) above.

5. Non-U.S. Government Programs

1. Four United Nations Specialized Agencies have programs in Libya: ILO, UNESCO, FAO and WHO. Each is making a significant contribution to Libya in its own field.

2. The Libyan Public Development and Stabilization Agency (LPDSA) is an organization financed formerly by the U.K. to further economic development in Libya. As a result of the reduction in British aid and to avoid duplication of effort, it is hoped that this organization can be liquidated. The GOL, and to a lesser extent, the British, appear to wish that LPDSA be continued. (See Sec. 2 - Psychological Programs).

3. The only significant U.S. program in Libya which is not Government-operated is a relatively small CARE activity. This program should be continued particularly as, through its school-feeding project, it offers a splendid device for reaching large numbers of Libyans in the towns and villages with concrete evidence of the U.S. desire to help all Libyans.

4. A Lions Club has recently been started in Libya. This also should be continued and discreetly supported.

5. In the labor field, the only labor union of present significance in Libya is affiliated with both the International Confederation of Free Trade Unions and the Arab League trade union organization. If additional unions are formed, they should be encouraged to affiliate with the ICFTU.

6. Private American foundations could be of help in Libya, particularly in such fields as financing technical and professional training.

7. The International Monetary Fund will make a survey of the Libyan economy in December 1958. The survey has been undertaken at the request of the Libyan Government and will be carried out under the auspices of the National Bank of Libya. It is hoped that the Survey will prove a useful guide in Libya's future economic development.

J. Wesley Jones

Contributors:

RPDavies, DCM, Tripoli;
FKLundy, Economic Officer, Tripoli;
MJGordon, Chief, USOM, Libya;
HLDavis, PAO, USIS, Libya.

cc: Amembassy Tripoli